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Canada Needs to Have a Serious Conversation on its Retirement Readiness

CPP Enhancements will help in the future but more needs to be done now

TORONTO – Today, the [National Institute on Ageing](#) (NIA) released *Improving Canada's Retirement Income System: Setting Priorities for Action*, a discussion paper by [Keith Ambachtsheer](#) and [Michael Nicin](#). The paper identifies the key challenges and opportunities to addressing and improving retirement prospects for Canadians.

“As Canada continues to age, it is increasingly important to understand and address the financial consequences of this ageing in a deliberate, informed manner,” said [Ambachtsheer](#). “Achieving these goals is the purpose of this new policy paper released by the NIA today.”

To start, the paper outlines three broad priorities: 1) Increase pension coverage for Canadians without a pension plan; 2) Increase savings rates for middle-income earners; 3) Increase incentives and opportunities for people to work at older ages, as life expectancy increases.

"It is becoming increasingly evident that the traditional life course milestones of getting an education, finding meaningful employment with a high certainty of belonging to a workplace pension plan, and counting on a well-deserved retirement are fading away," said [Nicin](#). "Personal financial uncertainty now prevails for many Canadians. Enhancements to the Canada Pension Plan were important, but there's more work to do."

The median family retirement savings for Canadians entering retirement without a work place pension plan is only \$3,000. Add to this the staggering projections that the public and personal cost of long-term care in Canada will triple to \$71 billion in 30 years. Retirement is getting more expensive and harder to achieve. In fact, 80 per cent of recently surveyed Canadians say they would rather have a pension than a higher salary. Now is the time to address public system sustainability and personal affordability across the board, from workplace pension plans, to personal retirement savings, and public system sustainability.

This discussion paper represents an integrated approach to identifying the key challenges and potential solutions to provide a coherent vision of what should be done to improve Canada's retirement income system. The NIA will consult and engage on the big questions to determine where Canada should go from here.

The [National Institute on Ageing](#) is a Ryerson University think tank focused on the realities of Canada's ageing population.

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